

**United States Department of the Interior
Bureau of Land Management**

Categorical Exclusion

DOI-BLM-CO-S050-2015-0042 CX

June 2015

**Suspension of Operations of 11 Oil and Gas Leases:
COC-13483, COC-16076, COC-42314, COC-68787, COC-68788, COC-68789,
COC-68790, COC-68791, COC-69066, COC-70004 and COC-70005**

Location: North of Somerset, CO

**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81401
Phone: (970) 240-5300**



**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81403**

CATEGORICAL EXCLUSION

NUMBER: DOI-BLM-CO-S050-2015-0042 CX

CASEFILE / PROJECT NUMBERS:

Leases: COC-13483, COC-16076, COC-42314, COC-68787, COC-68788, COC-68789, COC-68790, COC-68791, COC-69066, COC-70004 and COC-70005

PROJECT NAME: Suspension of Operations and Production of 11 Oil and Gas Leases; GE LLC Sheep Park II unit leases

PLANNING UNIT: Uncompahgre Basin Resource Area

LEGAL DESCRIPTION: USFS Lands, Grand Mesa, Uncompahgre and Gunnison (GMUG) National Forest

Lease Number	Legal Description
COC-13483	T. 11 S., R. 90 W., Sec. 17, 18, 19, 20. 6 th P.M.
COC-16076	T. 11 S., R. 90 W., Sec. 7. 6 th P.M.
COC-42314	T. 11 S., R. 90 W., Sec. 8. 6 th P.M.
COC-68787	T. 11 S., R. 90 W., Sec. 22, 27. 6 th P.M.
COC-68788	T. 12 S., R. 90 W., Sec. 4, 5, 6. 6 th P.M.
COC-68789	T. 12 S., R. 90 W., Sec. 8, 9. 6 th P.M.
COC-68790	T. 12 S., R. 90 W., Sec. 10, 11. 6 th P.M.
COC-68791	T. 12 S., R. 90 W., Sec. 3. 6 th P.M.
COC-69066	T. 11 S., R. 90 W., Sec. 31, 32, 33, 34. 6 th P.M.
COC-70004	T. 11 S., R. 90 W., Sec. 21, 28, 29, 30. 6 th P.M.
COC-70005	T. 11 S., R. 90 W., Sec. 17, 20. 6 th P.M.

APPLICANT: Gunnison Energy LLC (GE LLC)

DESCRIPTION OF PROPOSED ACTION: GE LLC is the operator of these leases and is requesting a suspension of operations and production (SOP) on the above referenced leases. The request was received by BLM on May 7, 2015.

A. Information applicable to this request for extension of suspension of operations and production:

1. These leases are located in and committed to the approved Sheep Park II Unit, case serial number COC-77109X.
2. In 2014, GE LLC submitted three applications for permit to drill (APDs) inside the Sheep Park II Unit of which one APD will have the surface use permitted by the USFS Paonia Ranger District and the other two APDs will be collocated on the same FEE/FEE multi-well pad and will be drilled into adjacent Federal mineral estate. These APDs are pending a joint-agency environmental analysis which is currently underway.
3. Portions of leases COC-68788, COC-68789, COC-68790, COC-68791 and COC-69066 are in an area previously identified in 1993 GMUG Oil and Gas Leasing EIS as the Springhouse Park Roadless Area. In 2001, a Roadless Area Conservation Rule (RACR) was implemented on all FS lands, and as a result the area named Springhouse Park Roadless Area became the Springhouse Creek Inventoried Roadless Area (IRA). The Forest Service since promulgated the Colorado Roadless Rule on July 3, 2012, which superseded the previous 2001 RACR. As a result of the 2012 decision, these portions of the leases are now located within the Pilot Knob Colorado Roadless Area (CRA).
 - a. To provide consistency with the Colorado Roadless Rule for projects proposed in CRAs, the Forest Service submits all proposals requiring road building or tree-cutting activities through a process in which consultation occurs between the Forest Service R2 Regional Forester and the State of Colorado. Should future GE LLC proposals include road building or tree-cutting activities in this CRA, they will be subject to this consultation process which may then allow the GMUG National Forest to initiate scoping on such proposed actions in this CRA.
4. The BLM Manual provides that, "the authorized officer may grant a suspension of operations and/or production for any or all leases effectively or fully committed to the unit agreement due to existing circumstances that prohibit the unit operator from drilling and/or producing on unitized land." BLM Manual H-3180-I.II.J.2.

PLAN CONFORMANCE REVIEW: The Proposed Action is subject to and has been reviewed for conformance with 43 CFR 1610.5, BLM 1617.3 and the following plans:

Name of Plan: Uncompahgre Basin RMP

Date Approved: July 1989

Decision Number/Page: 9

Decision Language: Federal oil, gas and geothermal estate on both federal surface and split estate lands will be open to leasing with standard lease terms.

And,

Name of Plan: Grand Mesa, Uncompahgre and Gunnison National Forests: Oil and Gas Leasing Final Environmental Impact Statement Record of Decision (ROD)

Date Approved: April 1993

Decision Number/Page: ROD -1, ROD-11, ROD-12

Decision Language: (Page ROD-1) The purpose of this Record of Decision (ROD) is to document Forest Service decisions regarding: 1) which lands will be administratively

available for oil and gas leasing in accordance with 36 CFR 228.102(d) and 2) which specific lands are authorized for the BLM to advertise for lease in accordance with 36 CFR 228.102(e). These decisions include the lease terms and stipulations determined necessary to protect the surface resources based on disclosure of environmental effects in the Oil and Gas Leasing Final EIS and standards and guidelines contained in the National Forest Land and Resource Management Plan (Forest Plan). This ROD also documents the decision to amend the Forest Plan to include the lands determined to be administratively available for oil and gas leasing.

Springhouse Park – Standard Lease Terms (Page ROD-12)

This area contains no identified special features. This area has timber sales scheduled within it, including the Floating Lake Timber Sale. The Floating Lake Timber Sale will potentially result in an extensive road system. The area is also broken by established motorized use.

CATEGORICAL EXCLUSION REVIEW: The proposed action is designated as a categorical exclusion pursuant to 516 DM 11.9 and is listed in H-1790-1, Appendix 4, BLM Categorical Exclusion B.4., “Approval of suspension of operations, force majeure suspensions, and suspensions of operations and production.” None of the following exceptions in 516 DM 2, Appendix 2, apply:

Exceptions		YES	NO
1.	Have significant adverse effects on public health and safety.	_____	<u>X</u>
2.	Have adverse effects on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation, or refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands, floodplains; national monuments; migratory birds; and other ecologically significant or critical areas.	_____	<u>X</u>
3.	Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources.	_____	<u>X</u>
4.	Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.	_____	<u>X</u>
5.	Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.	_____	<u>X</u>
6.	Be directly related to other actions with individually insignificant but cumulatively significant environmental effects.	_____	<u>X</u>
7.	Have significant impacts on properties listed, or eligible for listing, in the National Register of Historic Places.	_____	<u>X</u>
8.	Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species.	_____	<u>X</u>
9.	Violate a Federal law, or a State, local or tribal law or requirement imposed for the protection of the environment.	_____	<u>X</u>
10.	Have disproportionately high and adverse effect on low income or minority populations.	_____	<u>X</u>

11. Limit access to and ceremonial use of Indian sacred sites by Indian religious practitioners or adversely affect the physical integrity of such sacred sites. _____ X
12. Significantly, contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area or actions that may promote the introduction, growth, or expansion of the range of such species. _____ X

INTERDISCIPLINARY REVIEW:

<u>Name</u>	<u>Title</u>	<u>Area of Responsibility</u>
Thane Stranathan	Natural Resource Specialist	BLM Lands & Minerals
Teresa Pfifer	Staff Supervisor	BLM Lands & Minerals
John Pecor	Petroleum Engineer	BLM Fluid Minerals TRFO
Jessica Lopez Pearce	Minerals Administrator	USFS GMUG-Paonia Ranger Dist.
Levi Broyles	District Ranger	USFS GMUG-Paonia Ranger Dist.

REMARKS: Cultural, threatened and endangered species, wildlife timing and other stipulations applied to federal parcels when leased still apply.

NAME OF PREPARER: Thane Stranathan

ENVIRONMENTAL COORDINATOR: Jedd Sondergard DATE: 6/9/15

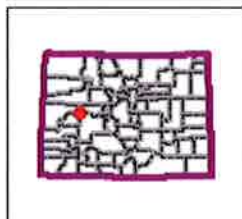
COMPLIANCE WITH NEPA

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, B.4. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 516 DM 2 apply.

SIGNATURE OF AUTHORIZED OFFICIAL: Barbara Sharrow
Barbara Sharrow
Field Manager, Uncompahgre Field Office

DATE SIGNED: 6-9-15

GE LLC 11 Lease SOP



No Warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data.

0 0.45 0.9 1.8 Miles

Uncompahgre Field Office
User Name: tstranat
Date Saved: 6/8/2015

**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81403**

Decision Record

(DOI-BLM-CO-S050-2015-0042 CX)

PROJECT NAME: Suspension of Operations and Production of 11 Oil and Gas Leases; GE LLC Sheep Park II unit leases

DECISION: It is my decision to approve the request for suspension of operations and production on Federal leases COC-13483, COC-16076, COC-42314, COC-68787, COC-68788, COC-68789, COC-68790, COC-68791, COC-69066, COC-70004 and COC-70005 pursuant to provisions of 43 CFR 3103.4-4 and subject to the following terms of the suspension.

This suspension is effective as of May 1, 2015, for the leases and will expire when any one of the following conditions is met:

1. The first day of the month approved drilling operations commence on any lease within the Sheep Park II Unit (COC-77109X).
2. The first day of the month that we return the APDs as unapproved.
3. The first day of the month the Sheep Park II Unit is terminated.
4. December 1, 2016

RATIONALE:

A case file review finds that the subject leases are committed to the Sheep Park II Unit. The BLM has received from GE LLC two Applications for Permit to Drill (APDs) to drill from a FEE/FEE pad into adjacent Federal minerals and one APD to drill from USFS lands into Federal minerals within this unit. These APDs are currently undergoing a joint BLM/FS environmental analysis with an anticipated completion date of December 2015.

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act in accordance with 516 DM 11.9, B.4. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 516 DM 2 apply.

COMPLIANCE WITH MAJOR LAWS and CONFORMANCE WITH LAND USE PLAN:

The decision is in compliance with applicable laws, regulations and policy, including the Endangered Species Act, Migratory Bird Treaty Act, Clean Water Act, Clean Air Act, National

Historic Preservation Act, Uncompahgre Basin Resource Management Plan Record of Decision 1989, and the Grand Mesa, Uncompahgre and Gunnison National Forest Plan: Oil and Gas Leasing Final Environmental Impact Statement Record of Decision 1993.

ADMINISTRATIVE REMEDIES:

Any adversely affected party who contests a decision of the authorized officer may request an administrative review before the State Director. Such requests, including all supporting documentation, shall be filed with the State Director within twenty (20) business days of receipt of the notice. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director. Requests for administrative review should be sent to:

State Director (CO-922)
Bureau of Land Management
Colorado State Office
2850 Youngfield St.
Lakewood, Colorado 80215

NAME OF PREPARER: Thane Stranathan

ENVIRONMENTAL COORDINATOR: Jedd Sandberg

DATE: 6/9/15

SIGNATURE OF AUTHORIZED OFFICIAL

Barbara Sharrow
Barbara Sharrow
Field Manager
Uncompahgre Field Office

DATE SIGNED 6-9-15